

March 24, 2000

DFAS-HQ/FMP

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL OPERATIONS)
DIRECTOR, OFFICE OF FINANCIAL OPERATIONS, ASSISTANT
SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND
COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL OPERATIONS)
COMPTROLLERS, DEFENSE AGENCIES
ASSOCIATE DIRECTOR, EXECUTIVE OFFICE OF THE
PRESIDENT, HUMAN RESOURCES MANAGEMENT DIVISION
COMPTROLLER, NATIONAL SECURITY AGENCY
COMPTROLLER, DEPARTMENT OF DEFENSE EDUCATION
ACTIVITY
COMPTROLLER, NATIONAL GUARD BUREAU
DIRECTOR, CIVILIAN PERSONNEL MANAGEMENT SERVICE

SUBJECT: Payment of Individual Employee Claims for Federal
Employees Group Life Insurance for Part Time Civilian
Employees

In our memorandum of February 9, 1999, attachment 1, we notified you of certain underpayments involving the calculation of Federal Employees Group Life Insurance (FEGLI) for part time civilian employees. We stated that instructions would be issued regarding claims processing for those periods of time which were not automatically generated by the Defense Civilian Pay System (DCPS). This memorandum forwards those instructions.

The DCPS has been modified effective November 7, 1999, to withhold FEGLI deductions by using the part time scheduled tour of duty hours instead of the actual hours of work. Attachment 2 provides the guidance for preparing FEGLI claims, which will be posted on the DFAS and CPMS web sites at <http://dfas4dod.dfas.mil> and www.cpms.osd.mil respectively. Claim periods will cover pay periods in which part time employees worked hours other than their scheduled tour of duty. A claim form is provided at attachment 3.

You are requested to give this information the widest possible dissemination. My point of contact regarding this subject is Ms. Cheree Emory. She may be reached at DSN 327-5022 or (703) 607-5022.

/s/
Gregory P. Bitz
Director for Finance

Attachments:
As stated

February 9, 1999

DFAS-HQ/FMP

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL OPERATIONS)
DIRECTOR, OFFICE OF FINANCIAL OPERATIONS,
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
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COMPTROLLERS, DEFENSE AGENCIES
ASSOCIATE DIRECTOR, EXECUTIVE OFFICE OF THE
PRESIDENT, HUMAN RESOURCES MANAGEMENT
DIVISION

SUBJECT: Federal Employees Group Life Insurance (FEGLI) for
Part Time Civilian Employees

We recently were requested to review current FEGLI calculations performed by the Defense Civilian Pay System (DCPS). As a result, we have discovered that the calculation used by the DCPS for the computation of FEGLI deductions for part time employees is in error. The FEGLI deductions for part time employees should be based on the employees' scheduled tour of duty. However, when DCPS was originally developed, the computation was based on an Office of Personnel Management (OPM) proposed rule published in the Federal Register on October 14, 1988, that stated deductions should be computed on actual hours of work. OPM subsequently withdrew the proposed rule on October 24, 1991, but the system design was not modified. Therefore, part-time employees having FEGLI coverage whose hours worked were greater than their tour of duty have had their contributions over-withheld, and are due a refund.

We have developed a system change request to correct the calculation in DCPS, and anticipate the modification will be put in place during the April 1999, timeframe. As part of the system change request, we intend to have DCPS generate an automatic refund to active employees for the period of time online in DCPS. Individual claims may be filed for periods before that timeframe. We are developing a claims package similar to the Armitage, et al. v. United States. In that case, individual claims were filed in order to receive payment

for the Sunday premium back pay in settlement of the Armitage case. The Statute of Limitations, under 31 U.S.C. Section 3702 limits the recovery of claims to six years. We will provide additional information regarding the procedures for filing claims as soon as it is available. In the interim, we would ask that you notify your Human Resources counterpart, and request that they advise part-time employees having FEGLI of this situation. We have calculated several examples (attached) of FEGLI coverage where the hours worked are beyond the tour of duty of 40. These are provided as an example of refunds that might be made based on claims received.

My point of contact for questions regarding this memorandum is Ms. Cheree Emory. She can be reached at DSN 327-5022 or (703) 607-5022.

/s/

Gregory P. Bitz
Director for Finance

cc: Charleston OPLOC
Pensacola OPLOC
DFAS-DE/FN

PART TIME FEGLI COMPUTATIONS

FEGLI COVERAGE

Based on Salary GS 7/Step 05
Annual Salary 39075
Scheduled Hours 40 hours per pay
period. Age: 40-44 range

ONE PAY PERIOD COMPUTATION:

BASIC	3.63	4.46	0.83	5.28	1.65	6.11	2.48	6.93	3.30
OPTION B	7.00	8.75	1.75	10.50	3.50	12.25	5.25	14.00	7.00
**26 PAY PERIOD COMPUTATION:									
BASIC	94.38	115.96	21.58	137.28	42.90	158.86	64.48	180.18	85.80
OPTION B	182.00	227.50	45.50	273.00	91.00	318.50	136.50	364.00	182.00

** Based on the assumption the hours worked are the same for the entire year.

GUIDANCE FOR FEDERAL EMPLOYEE'S GROUP
LIFE INSURANCE (FEGLI) CLAIMS

The following is provided as a guide to prepare claim packages for the retroactive payment of FEGLI due to an incorrect calculation when a part time employee works hours different from their normal tour of duty.

Employee Notification

Each employee must submit a claim in order to receive payment. If claims are submitted without the documentation stated in this attachment, the payroll office will return them. It is not necessary for civilian payroll offices to provide individual notification to employees.

Employees Covered

Employees covered are those employees occupying part-time positions, paid from appropriated funds through the Defense Civilian Pay System (DCPS) that worked hours different from their normal tour of duty.

The retroactive entitlement applies to current, transferred, and separated employees. Separated employees may contact their former employing activity's personnel office or their former Customer Service Representative (CSR) for information regarding the preparation of a claim.

Claim Forms

A copy of the claim form is attached. Each payroll office is responsible for distributing a copy of this guidance and one complete set of the claim form to each Customer Service Representative (CSR) serviced by the payroll office. Employing activities may obtain copies from the nearest CSR. The Defense Civilian Personnel Management Service (CPMS) will also make packages available to Human Resources Offices via a web posting.

Employees should complete the claim form and submit it with all supporting documentation to their servicing civilian payroll office. The DFAS payroll office will manually calculate the retroactive differences in FEGLI withholdings.

Supporting Documentation

Supporting documentation must be provided for each pay period that the entitlement exists. Employees may provide copies of their Leave and Earnings Statements (LES), or if not available, copies of Time and Attendance (T&A) records maintained by supervisors and/or timekeepers, and Standard Form 50s to support the claim.

Claim Period Covered

Based on the Statute of Limitations, a claim may be filed for a period of up to six years. The payment consideration period will end the date the claim is filed and be for a period of 6 years prior to that date. Effective November 7, 1999, DCPS automatically recalculated those pay periods maintained online. The claim period will cover retroactive periods prior to that date.

Category

Claim Period

Educators Employed by DoDEA	2-28-98 and prior
Overseas Employees Receiving Living Quarters Allowance (LQA)	6-06-98 and prior
All Other Employees	10-24-98 and prior

Calculations and Deductions

Claims will be calculated by comparing the FEGLI amounts withheld, which is derived by using the actual part time hours worked, to amounts calculated based on the scheduled part time hours set in the tour of duty. Basic life insurance and Option B - Additional life insurance will be affected by the calculations. Taxable income and taxes will not be affected.

Appropriations

Since the over or under-withholdings have been forwarded to the Office Personnel Management (OPM), funds to satisfy individual employee claims will be obtained from the OPM receipt account.

Continuation of: Claim for Overwithheld FEGLI Deductions

Employee Name

Social Security Number

Date of Birth

[illegible]

Employee Signature

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Attachment 3